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Weekly Summary

State Dept. review completed.

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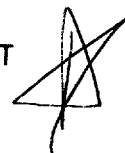
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February 11, 1977

The WEEKLY SUMMARY, issued every Friday morning by the Current Reporting Group, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Regional and Political Analysis, the Office of Economic Research, the Office of Strategic Research, the Office of Scientific Intelligence, the Office of Weapons Intelligence, and the Office of Geographic and Cartographic Research.

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Comments and queries on the contents of this publication are welcome. They may be directed to the editor of the Weekly,

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USSR- Eastern Europe

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DISSIDENTS

The arrest by Soviet authorities over the past week of a number of leading dissidents and the expulsion of an American journalist are clear signs of rising Soviet irritation with human rights activism in the USSR and with Moscow's bad press on the issue in the West.

The most prominent of those arrested are Yury Orlov and Aleksandr Ginzburg, leading members of the unofficial group set up last May to monitor Soviet compliance with the human rights provisions of the 1975 Helsinki accords. The group has been subjected to harassment and accusations, especially since the KGB searched several members' apartments in late December and early January. Police reportedly planted foreign currency, possession of which is normally illegal in the USSR, in the apartments of Ginzburg and others.

Shortly before Ginzburg's arrest, he and other leading human rights activists defiantly met with Western newsmen and expressed their determination to carry on. Ginzburg publicly acknowledged that he has managed the Moscow end of a fund set up in 1974 by exiled author Aleksandr Solzhenitsyn to aid Soviet political prisoners and their families, but he denied all charges of illegal foreign currency transactions.

The journalist was also accused of illegal financial dealings, but the real reasons for his ouster were almost certainly his fluency in Russian and his extensive contacts in the Soviet dissident community.

Ginzburg reportedly has been taken to a provincial town south of Moscow where he is a legal resident. This step suggests that he may be the first of the group to be formally charged. His friends fear he will be prosecuted not for his political crimes

but for foreign currency manipulation, a serious criminal offense.

Two members of the Ukrainian chapter of Ginzburg's group have also been arrested. They may be charged with illegal possession of arms, which they say had been planted in their apartments during police searches.

Several other members of the Ukrainian group reportedly had their homes searched on February 5, but were not



Aleksandr Ginzburg OC I

arrested. So far, none of the members of the Lithuanian branch of the monitoring organization have been singled out for similar treatment.

Czechoslovakia

The Czechoslovak government is maintaining pressure on the supporters of the Charter 77 human rights manifesto. The authorities remain wary of issuing indictments unequivocally linked to the document, but "unofficial" messages to activist dissidents warning them of their vulnerability to punitive legal action have increased.

A Czechoslovak media campaign late last month suggested that the protesters

might be happier living in the West, and the government reportedly tried unsuccessfully to persuade several of them to sign emigration applications. Subsequently, a broadcast by Prague television denied Western press speculation that the regime was planning to deport some leading dissidents.

The number of signers of the manifesto, meanwhile, has been growing; spokesmen for the group say the total has passed 400. Nonetheless, the impact of Charter 77 on the Czechoslovak public does not appear to be significant. The government has sought to demonstrate that a substantial segment of the population is opposed to the charter, and pressure on workers to sign anti-charter statements should prevent widespread open support for it.

The controversy over human rights in Czechoslovakia has created some international difficulties for President Husak's regime. The Italian foreign minister recently canceled a planned stopover in Prague on the way home from the USSR. The Norwegians canceled a ministerial visit, and other planned official visits may now be in doubt.

The controversy could also cause problems for all the East European countries in connection with the Belgrade conference this summer that will review compliance with the Helsinki accords. Soviet propaganda has reflected this concern. It has sought to play down the Charter 77 issue, putting emphasis instead on alleged Western failures in the human rights field.

Yugoslavia

A resurgence of open political dissent in Yugoslavia is dimming the Tito regime's hope that serving as host for the Helsinki review talks this summer will enhance Yugoslavia's prestige. The dissenters are cautiously playing on increased Western criticism of Yugoslavia's performance on human rights to press Belgrade to relax its ideological and political strictures.

The first public step by the dissenters came last week, when a document protesting travel restrictions on persons regarded by the regime as troublemakers was leaked to the Western press. Sixty

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Yugoslavs signed the document, which had been privately circulating since last summer. Several dissidents have recently told Westerners that the document is only the tip of an iceberg.

Since a major purge of liberals in 1972, the Yugoslav regime has shut down dissident journals, given stiff prison terms for a wide range of political "crimes," and gradually restored arbitrary police powers that it had scrapped after a period of abuse in the mid-1960s. The regime rationalizes that such measures are needed to help prevent problems in the post-Tito era.

Some Yugoslav leaders would like to ease the "vigilance campaigns" and rein in the secret police. Tito and many of the men who became powerful after the 1972 purge, however, have adamantly opposed any concessions. The more moderate leaders have thus been unable to accomplish more than a feeble propaganda effort touting "socialist democracy" and mildly rebuking authoritarians in general.

The moderates could still make some headway if the dissidents keep up the pressure and continue to avoid excesses that might trigger a sharp reaction from

Tito. The dissenters, however, are loosely organized, and hotheads among them could take intemperate stands that would amount to a direct challenge to Tito's authority. [REDACTED]

CEMA COSMONAUTS

The USSR apparently has begun training the first contingent of cosmonauts that are to represent the members of the Soviet-led Council for Mutual Economic Assistance in planned joint missions on Salyut-class space stations. Prospective cosmonauts from Czechoslovakia, Poland, and East Germany arrived at the Soviet cosmonaut training center in late December; others from Bulgaria, Hungary, Cuba, Mongolia, and Romania are scheduled to come this year.

The joint missions apparently are intended to foster an atmosphere of fraternal cooperation among CEMA countries and may also provide useful data for the development of earth resources.

The Soviets have said such missions could begin as early as 1978, but this may not allow enough time to integrate

trainees of dissimilar background and language. In order to launch CEMA cosmonauts as soon as possible, the USSR may initially limit them to conducting scientific experiments and not permit them to perform crew functions on board the space station.

The ambitious joint CEMA scientific space station program was officially announced in September 1976 during the flight of Soyuz 22. That flight, which used East German photographic equipment, was hailed by the Soviets as the first in a new series of cooperative space flights with CEMA countries. According to the announcement, the multinational program will continue through 1983.

Cooperation is likely to involve the continued use of equipment from CEMA countries before CEMA cosmonauts are included in actual flights in any capacity.

If the Soviets conduct the first manned flights in this program in 1978, it would give them a lead of several years on the joint US-European program for multinational space crews. The US space shuttle is scheduled to orbit a European space lab and crew in the 1980s.

Africa

ETHIOPIA

Lieutenant Colonel Mengistu Haile Mariam emerged last week as the most powerful member of the ruling military council following factional fighting at the council's headquarters that resulted in the deaths of some of his major rivals. Mengistu's increased influence will intensify animosity between the government and its domestic opponents and further alienate Ethiopia's neighbors.

Ethiopia's head of state, General Teferi Benti, and several senior members of the council were killed in this latest bloody episode in a power struggle that has gone

on virtually since the council took over the government 28 months ago. Teferi's predecessor was killed in a similar shoot-out in 1975. Mengistu, who had lost influence in a reorganization in December, portrayed the events of February 3 as a foiled coup attempt.

Mengistu's faction has pushed for the swift transformation of the country along Marxist lines. He is responsible for many of the arbitrary arrests and executions that have occurred under the council's rule.

No member of the council is powerful enough to challenge Mengistu at present. Second Vice Chairman Atnafu, who has criticized him in the past, seems reconciled to his leadership for now.

Commanders of major military units have conveyed their approval of the killing of the council "plotters," whom

Mengistu has linked with an underground group working to overthrow the government. Some of the military are almost certainly concerned, however, about Mengistu's consolidation of power.

In strongly worded statements after the fighting last week, Mengistu showed an uncompromising determination to eliminate his domestic opponents by force. He has also lashed out at some of Ethiopia's neighbors, especially Sudan, Somalia, and Saudi Arabia, for aiding the various insurgent groups active in Ethiopia. He will probably seek closer ties with Libyan President Qadhafi, an enemy of the Numayri regime in Sudan.

He will probably also press for swift implementation of the military purchase agreement reached with the Soviets in December, and may ask them for additional aid. The Soviet ambassador was

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Rhodesian Patriotic Front leaders Joshua Nkomo (left) and Robert Mugabe

quick to praise Mengistu's actions against the alleged plotters and pledged Soviet support for the new lineup in Addis Ababa. *(An analysis of the numerous dissident and insurgent domestic groups that the embattled military council is trying to suppress by force appears in the feature section of this publication.)*

OAU

The Rhodesian Patriotic Front of Joshua Nkomo and Robert Mugabe last week received the backing of the 22-member African Liberation Committee of the Organization of African

Unity. The committee stopped short, however, of exclusive recognition of the Front, leaving the door open for OAU members to deal with other Rhodesian nationalist factions.

The Front apparently now will be the recipient of any additional military assistance to the Rhodesian nationalist movement through OAU channels. Nigeria reportedly has pledged a substantial amount to the committee's fund, some of which will probably be earmarked for use by liberation groups from Namibia and South Africa.

Nigeria apparently played a key role in opposing a determined effort by several countries to give equal status to all the Rhodesian nationalist factions. The Nigerians provided the formula that was finally adopted.

The Nigerians were aided by a strong desire on the part of OAU members not to risk another split in their ranks such as occurred over Angola. In that case, the existence of OAU resolutions giving equal backing to the three nationalist groups that had fought the Portuguese led finally to a divisive struggle between supporters of the rival Angolan governments proclaimed during the civil war.

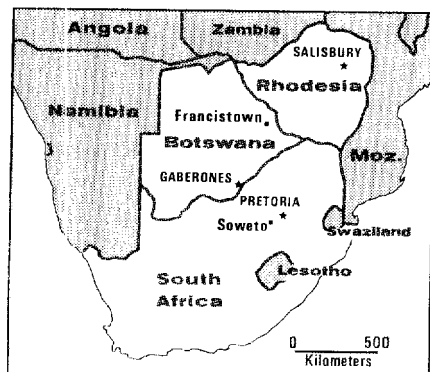
Still undetermined is the question of military assistance for Mozambique, which has borne the brunt of attacks by Rhodesian security forces against Rhodesian guerrillas. A meeting of the OAU defense commission was to have taken place immediately following the liberation committee session to discuss Mozambique's problems, but many countries refused to attend.

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BOTSWANA

The arrival in Botswana last week of 400 to 500 black students from Rhodesia highlights the squeeze on Botswana because of its role as a front-line state in the Rhodesian conflict and its interest in maintaining close economic ties—and avoiding military confrontation—with its white-ruled neighbors.

The Rhodesian government asserted that the students were abducted by guerrillas at gunpoint from a mission school near the border. Botswana said they came voluntarily. Most of them have spurned pleas from their parents to return home.

Joshua Nkomo's Zimbabwe African People's Union will be recruiting among these new refugees for its guerrilla force, which is much smaller than that of the Zimbabwe African National Union, Nkomo's ally in a "Patriotic Front." ZAPU operates from Zambia—and to a lesser degree from Botswana—into western and southwestern Rhodesia. Although Botswanan President Khama has never authorized the Rhodesian guerrillas to operate out of his country, its 400-man mobile police unit is unable to patrol the border adequately.

Botswana has also been a haven for refugees from the civil war in Angola, the riots in South Africa, and South African counterinsurgency measures in Namibia. During the past six months the refugee flow has increased, primarily from South Africa and Rhodesia. The Botswanan

government generally has tried to move the refugees on to other countries, since it lacks sufficient resources to care for them. After considerable agonizing, however, Khama decided recently to let them remain in Botswana.

The growing refugee community could serve as a catalyst for opposition to Khama's policies. There is a vocal opposition in Botswana's multiparty democratic political system that strongly criticized the country's relatively weak support for African liberation groups and its economic links with South Africa and Rhodesia. Large numbers of Botswanans are employed in South Africa, and the Rhodesian-run railroad is crucial to exports of Botswanan beef and minerals as well as imports of foodstuffs.

Botswana's tiny security force, moreover, is not likely to be able to prevent the refugees from supporting dissident activity against both Rhodesia and South Africa. The emergence of more active guerrilla operations from Botswana against Rhodesia may prompt the Rhodesians to mount sizable cross-border attacks as they have done in Mozambique, where ZANU guerrillas are based. Until now, Rhodesia has staged only minor raids against suspected guerrilla concentrations in Botswana.

SUDAN

Sudanese government forces crushed an attempt last week by some soldiers in southern Sudan to seize control of an airport at Juba, the regional capital. Although the unrest posed little immediate threat to the central government in Khartoum, it reflected problems that continue to plague President Numayri's regime.

Fighting broke out in Juba on February 2. The action by the troops, who were accompanied by some civilians, followed the arrest in Juba two days earlier of about 30 Sudanese soldiers and civilians for allegedly plotting against Numayri. The

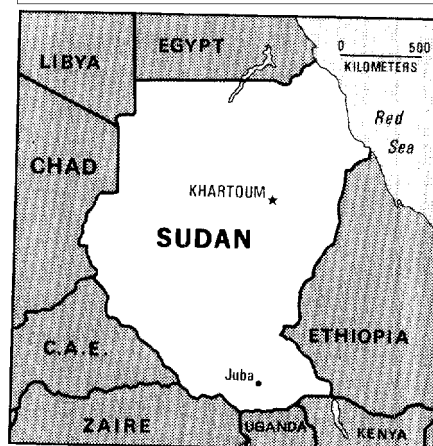
plotters, who reportedly were followers of an exiled tribal leader, were said to be planning to assassinate Numayri and other leaders, seize control of the south, and use it as a base for further operations against the government.

Numayri probably will face more such challenges because of his lack of broad support. There have been five serious attempts to oust him since he came to power nearly eight years ago. All but one were led by members of the military, on which Numayri depends for his political survival.

Sudan's three diverse Islamic groups remain sources of active dissidence. Student groups, although limited in number, also have engaged in considerable anti-regime activity. They are kept in check only by the security forces and frequent closings of Khartoum University.

The Sudanese Communist Party, officially banned since 1971, is one of the largest and best organized communist parties in the Middle East. In southern Sudan, the non-Arab, non-Muslim blacks of the region are united only in their animosity for their Arabic-speaking, Muslim countrymen of the north.

Numayri's success in maintaining his position has been based primarily on the inability of his opponents to cooperate against him. Most Sudanese are indifferent to the regime and protest only when there are economic problems, such as rising prices or commodity shortages.



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Middle East

EGYPT 31

President Sadat has been working to repair the damage done to his prestige and that of his government by the rioting that shook Egypt in mid-January. His efforts apparently have been at least partially successful, but he has been unable to find any quick or easy solutions to Egypt's pressing economic problems, the basic cause of the civil unrest.

Over the past two weeks Sadat has held a series of meetings with educators, students, and workers, and made a major address to the nation. In each case, he has sought to deflect criticism from himself and his government by blaming the unrest on leftist conspirators. He has refused to bow to pressures to oust Prime Minister Mamduh Salim, who is widely blamed for Egypt's economic woes, and instead has sacked the interior minister for his failure to head off the riots. Sadat has also announced tax reforms directed against the wealthy and held a referendum on February 10 on tough new law-and-order measures designed to discourage further demonstrations.

These moves probably have pleased politically conservative Egyptians and those in the middle class who fear further domestic upheavals. The harsh security measures, however, are not likely to be well received by Egyptian students and other politically sophisticated groups, which have enjoyed greater freedom under Sadat's recent political liberalization program. The President's get-tough policy will receive its first major test with the reopening of Egypt's universities, now scheduled for February 12.

Sadat's activities indicate that the unrest has refocused his attention on the country's domestic troubles and the needs of its people. This could be an important positive side effect of the riots. In recent months the President has appeared to be

out of touch with the great majority of Egyptians and the magnitude of the problems facing them daily.

Sadat himself realizes there is little he can do to alleviate the immediate economic hardships that are the primary cause of the Egyptian public's unhappiness. He has appealed for patience during the "four lean years" he says the country is facing.

For now, Sadat is hoping for new cash aid from wealthy conservative Arab states to shore up his position. Even that would provide little short-term relief, however, and long range solutions will be difficult and not easily accepted by the hard-pressed Egyptian people.

Relations with the USSR 3235

Recent new anti-Soviet actions by the Egyptians and another postponement by the USSR of negotiations on a bilateral trade protocol for 1977 have aggravated long-standing strains in Egyptian-Soviet relations.

The Soviet move in late January was especially irritating to the Egyptians as it was the third time Moscow had deferred the talks in less than two months. The Soviets were apparently reacting in part to charges in the Egyptian media that the USSR had helped fuel the antigovernment food riots; Egypt had also moved to obstruct several Soviet cultural delegations in Cairo. The introduction of a bill in the Egyptian parliament on January 26 calling for severing diplomatic relations with the USSR may have been an additional spur to the Soviet decision.

In any event, the postponement was followed by new and harsher public criticism of the USSR by Sadat, who was doubtless already irked by the extensive and prolonged Soviet media coverage of the rioting episode. This time, the Egyptian President flatly accused the Soviets of responsibility for the riots.

Trade relations between the two countries will continue even if the two sides never get around to initialing the 1977 protocol. Soviet-Egyptian trade reached a high level in 1974, for example, without a formal trade protocol.

Apart from the new irritants in

Soviet-Egyptian relations, Moscow remains determined to keep pressure on Sadat and to refrain from any significant inducements to the Egyptians as long as Cairo gives priority to its ties with the US and ignores Soviet complaints. Moscow has been particularly incensed at Sadat's domestic policies, which continue to de-emphasize socialist institutions in favor of the entry of Arab and Western capital.

At the same time, the Soviets do not want to make bilateral relations still worse and have therefore been reticent in their response to Sadat's charges. Some effort to smooth over the latest quarrel may be attempted by a Soviet Foreign Ministry official who arrived in Cairo for talks on February 8.

The official's primary focus, however, will almost certainly not be bilateral relations, but rather the question of Middle East peace negotiations. His main mission probably is to convey to the Egyptians, in advance of Secretary Vance's arrival in Cairo next week, the importance attached by Soviet leaders to a return to the Geneva negotiating forum.

The Soviets remain highly concerned that a new power balance may be emerging in the Middle East that will diminish their influence further and cut them out of the peacemaking process.

TURKEY 37-41

Turkey's coalition government is under increasing pressure because of continuing violence between militant young rightists and left-wingers, which resulted in 21 deaths last month. The disorders have also added to strains among the four disparate parties that make up the coalition.

Civil disorder has become an important issue for the election scheduled for this fall, with opposition leader Ecevit charging that the government is unable to ensure internal security.

The government is especially vulnerable on the issue because one coalition party—the extreme-right Nationalist Action

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Party—is held responsible for most of the disorders caused by rightist students. Prime Minister Demirel had been unwilling to rein in Action Party leader Turkes, who is a deputy prime minister, but early this month he reportedly did strip Turkes of general supervisory responsibility for internal security.

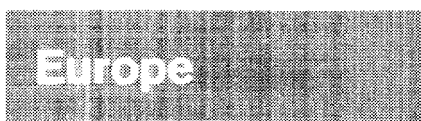
Another coalition partner, the small centrist Republican Reliance Party, has threatened to withdraw from the coalition unless the government adopts stronger measures to deal with the disorders and corrects what the party regards as a failure to adhere to the coalition program.

Withdrawal of the Reliance Party, which has only a few seats in parliament, probably would not bring down the government, but would clearly weaken it.

The government is facing two important votes on the budget this month. Further dissension within the coalition could cost the government its majority on one of these votes. This would not require Prime Minister Demirel to step down, but precedent—and a possible decision by Demirel that the coalition's liabilities are beginning to outweigh its advantages—could lead him to do so.

The Supreme Military Council—consisting of senior civilian and military leaders—is reviewing Turkey's domestic security problems. It will presumably recommend stronger measures to curb the violence, possibly including the imposition of martial law in certain provinces. Demirel has been hamstrung in his efforts to control the violence because of lack of cooperation from his two rightist coalition partners.

Last week, following a regular meeting of the Turkish General Staff, President Koruturk issued a statement warning that failure to handle the unrest adequately could have unfortunate effects on democratic stability—as was the case in 1971 when the military intervened and forced Demirel's resignation as Prime Minister. Senior officers still appear loyal to the government, however, and there seems to be almost no chance of military intervention at this point.



FRANCE

Ambitious Gaullist leader Jacques Chirac has rejected a compromise with President Giscard that would have allowed the government coalition to enter next month's important Paris municipal election with a show of unity.

Chirac last week turned down an offer by Minister of Industry and Research d'Ornano, a member of Giscard's Independent Republican Party and the President's personal choice for mayor of Paris, to prepare joint lists in sectors of Paris that are vulnerable to the Socialist-Communist opposition. The Gaullist leader said he would run his own competing lists and that he would personally stand for office in the fifth district, where he is assured of election.

The Independent Republicans, angered by Chirac's open defiance, reportedly are determined to try to block his election to the prestigious new post of mayor of Paris. They believe the Gaullists will win more of the 109 municipal council seats than any other party but not enough to assure Chirac's election without the help of other parties.

They hope to deny Chirac a majority in the first two rounds of mayoral balloting among council members and then compromise with him on the third ballot, where a simple plurality suffices. The Independent Republicans would be willing to accept Gaullist Bernard Lafay, the current president of the Paris municipal council, as a compromise mayoral candidate, but Chirac is not likely to go along.

Under the Republicans' strategy, it is possible—but unlikely—that a Socialist or Communist opposition candidate could be elected mayor. The Socialist-Communist alliance is deeply divided and so far not in a position to profit from the disarray of the majority. The Communists are more strongly entrenched in Paris

than the Socialists and up to now have been unwilling to compromise on joint lists or a single candidate for mayor of Paris.

In the end, Chirac is likely to be elected mayor. The post should keep him in the limelight as he conducts a vigorous campaign for the 1978 election, and serve as a steppingstone to a possible bid for the presidency in 1981. Should the opposition win the national election next year, Chirac would have in the Paris mayoralty a power base from which he could rally anticommunist forces against the left.

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INDIA

Prime Minister Gandhi so far has prevented additional leading members of her Congress Party from joining with Jagjivan Ram, her former agriculture minister who quit the party and cabinet last week. Ram, a spokesman for India's untouchables, has established a new political party and plans to cooperate with the noncommunist opposition in the parliamentary election scheduled for March.

Gandhi has obtained statements of support from most key Congress Party members, including a leading potential defector, the chief minister of the populous state of West Bengal. These commitments, however, may have been obtained at some political cost to her son Sanjay.

Many older party members have been unhappy with the rapid growth of Sanjay's power since the imposition of the emergency in June 1975. It is now likely that the party will nominate fewer of his followers as candidates for parliament than had originally been planned.

Although the Prime Minister has at least temporarily forestalled defections, some other aspects of the campaign are

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not going well:

- The crowd that attended a Congress Party rally in New Delhi on February 5 was unenthusiastic and unruly. Sanjay, who was to have been the main speaker, did not attend, and the Prime Minister spoke instead.

- A major opposition rally in New Delhi on February 6 drew a significantly larger and more responsive crowd than had attended Gandhi's rally.

- The press has been more outspoken since the lifting of censorship last month than many expected.

Gandhi still seems committed to holding the election, but she may decide to reimpose restrictions on the press and political gatherings. She says she will not tolerate a return to a situation of political turbulence like the one that prompted her to impose the emergency.

The Prime Minister is aware that such a tightening of controls would cast doubt on the validity of the election, which she presumably still expects to win. Further setbacks nonetheless could lead her to take such action or possibly even to cancel the election. A cancellation would require stretching the constitution and would be generally seen as an admission of defeat.

CHINA

Chinese leaders are continuing to give top priority to the campaign against the four leftist Politburo members purged last October and their lower-ranking supporters. The status of former vice premier Teng Hsiao-ping apparently remains at issue, although steps taken during the past week seem to have brought him closer to rehabilitation.

Commentary published last weekend in the Chinese media charged that local leaders have not exercised adequate leadership to advance the anti-leftist campaign. The articles point in the direction of a fairly hard-line campaign, but there still may not be full agreement on the

issue in the Chinese hierarchy.

The articles seem to reflect a concern that local leftists will go unidentified and unreformed and will be free to continue to create local political disturbances. There is no evidence of any serious recent violence, but low-level leftists have caused some embarrassment in Peking and elsewhere. They may have been responsible for wall posters that attacked Politburo members last month during activities honoring the memory of Chou En-lai. They also apparently continue to cause trouble for some provincial leaders as well as for local leaders in Shanghai.

Peking's effort to increase local political activity against leftists may pose a threat to certain provincial leaders who last year were in the forefront of the leftist-inspired campaign against Teng Hsiao-ping. So far none has been publicly associated with the fallen leftists, but some may still have to clear themselves of responsibility for either their own actions or those of their subordinates.

Part of an editorial published last weekend appeared to advance Teng another step toward restoration to some office. It called "deepening exposure and criticism of the gang of four" the current "key link," but made only passing reference to "class struggle," which through 1976 had been the "key link." Teng previously had been criticized for failing to take "class struggle" as the "key link." Another possible step toward Teng's return was the reappearance in public of his brother this week.

China's leaders still have not decided what position to give Teng when he is rehabilitated. They appear stalemated over the issue of whether to restore him to his original positions, including that of senior vice premier, or to follow Chou En-lai's wishes and elevate him to the premiership.

Teng's return could affect the status of other members of the leadership, especially that of Party Chairman Hua Kuo-feng, who was the main beneficiary of Teng's fall. Teng has ties throughout the hierarchy, which Hua has yet to establish.

Western Hemisphere

JAMAICA-GUYANA-USSR

Guyana and Jamaica, faced with economic difficulties and problems in obtaining assistance from the West, are seeking closer economic ties with the USSR and Eastern Europe. Among their specific objectives, the Guyanese want an economic agreement with the Council for Mutual Economic Assistance.

Jamaica is taking similar initiatives. Prime Minister Manley's government recently ended its long stall on granting the Soviets permission to set up an embassy in Kingston and invited them to do so. Two high-level CEMA officials have been invited to visit Kingston, and Manley is reportedly considering an economic agreement with that organization. A Jamaican trade delegation will soon leave for Moscow.

Guyana and Jamaica both have huge current-account deficits. Lower sugar prices and rising import costs have offset much of the recent recovery in bauxite and alumina sales. The two countries' inability to obtain sufficient foreign funds to cover these deficits has forced them to adopt severe austerity measures.

The USSR and other CEMA members are unlikely to provide much, if any, cash aid to either country; they might barter machinery and equipment for sugar, bauxite, and alumina.

At least Burnham may be willing to make political concessions to the Soviets to get their help, particularly for a major hydroelectric complex he wants to construct. The Guyanese have approached the Soviets on it before without success; this time, Burnham may be willing to accommodate the USSR by appearing to grant a more active role in the government to the Moscow-oriented opposition party led by Cheddi Jagan.

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Egypt and Syria, having patched up their recent quarrel, are making a concerted effort to reopen Middle East peace talks at Geneva. Neither country expects rapid progress, but both of them—and Saudi Arabia—will be looking to the US to use its influence to end the negotiating stalemate this year.

The Arab Peace Offensive

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The principal Arab states, having overcome the paralyzing divisions produced by the Egyptian-Syrian quarrel over Egypt's conclusion of a second Sinai accord with Israel in 1975 and by Syria's intervention in Lebanon last year, are now in a position to apply strong diplomatic pressure for an early reconvening of the long-recessed Geneva conference on a Middle East peace settlement.

The Egyptians are fostering high expectations of diplomatic movement in 1977 and are attempting to marshal as much Arab and international support as possible to press the US and Israel to resume serious, comprehensive peace negotiations.

There are fundamental constraints on the flexibility of the Arabs, but their strategy in coming months will be to project an image of reasonableness on such key issues as the future of a Palestinian state, an end to the state of war, and oil pricing.

Despite lingering mutual suspicion, Egyptian President Sadat and Syrian President Asad are likely to be able to maintain sufficient unity to resist any pressures to resume the step-by-step negotiating process in lieu of a return to Geneva. They may also be able to sell previously unpalatable positions to their Arab colleagues, at least on matters of procedure and implementation.

Asad has learned from the confrontations of the past year that Syria's interests are best served when he works in harmony with Egypt and Saudi Arabia.

By winning their endorsement of Syria's prominent role in Lebanon at the Riyadh and Cairo summits, Asad ended Syria's diplomatic isolation and eased the financial burden of its Lebanese campaign.

Reconciliation with Egypt also paid off in reduced domestic tension and prepared the way for what Syria believes will be further substantial financial assistance from conservative oil states.

Sadat, in turn, learned that he could not challenge Asad so long as Asad has Saudi backing and that he could not lead in formulating Arab strategy without the support of both Syria and Saudi Arabia.

Should negotiations reach a stalemate because of US or Israeli positions, there would probably be no disruption of Egyptian-Syrian coordination. Instead, failure to achieve whatever the Arab side considers substantial diplomatic progress by the end of 1977 almost certainly would lead to friction between the US and both Egypt and Syria, to Saudi support for further oil price increases, and to renewed Arab preparations for at least a limited war to achieve their political objectives.

Preparing for Geneva

Egypt and Syria have called for a resumption of the Geneva conference by March—not intending that this date should be taken literally, but wishing to underscore the urgency of the Arab peace offensive. The Syrians are almost certain-

ly even more skeptical than the Egyptians that rapid movement is possible; Asad is less optimistic than Sadat about the extent of Israeli flexibility and the degree to which the US is able to influence Israel.

The key Arab leaders nonetheless will expect immediate movement to convene a Geneva meeting soon after the Israeli election set for May 17, regardless of the outcome of the election.

A particularly important juncture may come at the next ministerial meeting of the Organization of Petroleum Exporting Countries, scheduled for July. If by then the Saudis are disappointed with the US response on peace negotiations, they probably would go along with the oil price hikes demanded by most other OPEC members.

The commitment of Egypt and Syria to a "peace offensive" does not mean they will be more flexible on substantive matters if negotiations in Geneva resume. Both countries probably now have a realistic appreciation that any comprehensive negotiations will be protracted. Neither Sadat nor Asad is prepared to reach a peace settlement as defined by the Israelis, one that would include diplomatic recognition, commercial intercourse, and "defensible borders." The Arabs' overall negotiating goals still are Israel's withdrawal from the territory occupied in 1967 and restoration of Palestinian rights. Asad does apparently now share Sadat's willingness to discuss the end of the state of war with Israel.

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Egyptian President Sadat (c) and Vice President Mubarak (r) welcome Syrian Foreign Minister Khaddam to Cairo for recent talks

The two leaders differ in their interpretation of Palestinian "national rights" and in their willingness to make sacrifices for the Palestinian cause, but both appear to agree on the ultimate goal of creating a small Palestinian state consisting of the West Bank and the Gaza Strip and on the need to find a formula for including the Palestinians in the negotiating process. Sadat and Asad may be prepared to go back to Geneva initially without the PLO, but would be likely to press the US and Israel on Palestinian representation once talks begin. Without a resolution of the representation issue, it is uncertain that any of the Arab front-line states would be willing to conclude new territorial agreements.

Egypt is on record as proposing that the Palestinians should have a separate delegation at Geneva. There is little doubt, however, that Egypt would endorse Syria's recently announced preference for a single, joint Arab delegation. Palestine

Liberation Organization chief Yasir Arafat, who privately has long been willing to go to Geneva if invited on acceptable terms, would find it hard to reject a formula acceptable to Syria and Egypt.

The two countries would apparently also be agreeable to a combined PLO-Jordanian delegation, and they have urged King Husayn and Arafat to reach a political accommodation. Talks between the Jordanians and Palestinians are scheduled to begin this weekend in Amman.

At Geneva

Even if the Geneva conference is reconvened, rapid progress is unlikely this year. There are no signs that any of the principal parties are prepared to make significant new concessions, and procedural wrangling and public posturing would almost certainly delay progress.

On the other hand, neither the Arabs nor the Israelis apparently believe it to be in their interest to force—or to be held

responsible for forcing—the collapse of negotiations as long as talks on substantive issues are proceeding.

The most promising approach at Geneva probably would include abandoning plenary sessions in favor of small working groups. These might permit bilateral talks between representatives of Israel and each of the Arab states, or discussions by separate groups that would focus on different aspects of the general settlement problem, such as territorial withdrawals, demilitarization, guarantees, verification, the boycott, propaganda, and the role of the UN and the US.

Discussing a range of issues in a variety of forums would not necessarily speed progress on all issues, but it probably would allow headway to be made on some, and would at least delay failure and the perception of failure.

The Palestinian Problem

A resolution of the Palestinian

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representation issue, for which the Arabs will press hard, would not assure progress on the substance of the Palestinian and West Bank issues, including the intractable Jerusalem problem. The Israelis are adamantly opposed to giving up any part of Jerusalem and to the establishment of an independent Palestinian state. They would much prefer to put off negotiations over the West Bank—even with Jordan—until much later.

For Egypt and Syria, the major problem will be to force the Palestinians to accept a truncated state, comprising the West Bank and Gaza, and coexistence with Israel. The repair of the Egypt-Syria rupture has reduced Arafat's room for maneuver and sharply diminished his potential for disrupting any negotiating strategy agreed upon by the key Arab states.

The complexities of Egyptian-Syrian-Palestinian relations, however, will tend to limit the pressure on the PLO and lead to disputes between Egypt and Syria over the degree to which either should exert control over the Palestinians.

Arafat is not yet in a position to deliver

the entire Palestinian movement on Egypt and Syria's terms. But the debacle suffered by the Palestinians in Lebanon apparently has led him to conclude that the PLO should moderate its political stance, in part as a means of deflecting Egyptian pressure and forestalling Asad's efforts to replace him with a pro-Syrian leader.

Arafat privately has implied that he would accept a Palestinian state in the West Bank and Gaza, and his position has been publicly echoed by other Palestinian spokesmen.

Arafat's goal in coming months will be to achieve a united Palestinian position to present to the various parties to the Geneva conference. Recent discussion of forming a government-in-exile, a move long urged by the Egyptians, is one indication of this, as is the call for a session of the Palestine National Council.

The PLO leader will continue to meet stout resistance from the various fedayeen "rejectionists," and bickering among the disparate factions is likely to preclude a unified Palestinian position.

Complete unanimity among the Palestinians is not, however, a necessary precondition for their participation in the

peace process. Arafat still speaks for the majority of the Palestinians, and Sadat and Asad are likely to lean heavily on the PLO leadership to support him.

Asad would prefer to replace Arafat with a leader more amenable to Syrian influence, but there is no other leader who could hope in the short run to exercise comparable authority over the Palestinian movement.

In the meantime, Syria will work to undermine the rejectionist fedayeen. Much of the occasional fighting in Lebanon is a result of the efforts of Syrian forces or Syrian-backed PLO groups to weaken the rejectionist groups' military capability and to arrest or assassinate some of their leaders.

Coordination of negotiating strategy between the PLO and Egypt and Syria has barely begun and will be a complex, quarrelsome process. The outcome, however, is likely to be influenced by two major lessons the moderate Palestinians have learned from the Lebanese civil war:

- None of the key Arab states is going to sacrifice its national interests by backing maximum Palestinian goals or endorsing fedayeen radicalism.
- Syria's prohibition of cross-border fedayeen operations from Lebanon has forced the Palestinians to abandon guerrilla tactics against Israel in favor of negotiations for the return of a portion of Palestinian territory.

This does not mean that some Palestinian elements will not continue to oppose negotiations by attempting terrorist acts against both Israel and the conservative Arab states. Nor does it mean that Palestinian irredentism has been curbed; even Arafat and other so-called moderates will try to justify settling for a small state now by arguing that long-term demographic trends in Israel are in the Arabs' favor.

Saudi Position

Next to Egypt and Syria, Saudi Arabia will play the most important role on the Arab side if there is movement toward peace talks. The willingness of the Saudis to risk undermining the long-standing Saudi political goal of unity of the OPEC



Syrian President Asad

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countries is in part a result of the peace offensive of Egypt and Syria.

The Saudis have worked behind the scenes to ease Egyptian-Syrian differences and to help bring about a tenuous peace in Lebanon. They believe the Egyptian-Syrian peace initiative has a real chance—provided the US cooperates. They think their action to hold down prices has created an obligation on the part of the US to understand and cooperate with Arab efforts.

The Saudis' action was not solely motivated by their desire to support and encourage the peace offensive; they also hoped to prevent an unfavorable US response in other areas affecting Saudi interests, specifically with regard to US arms sales and the Arab boycott against firms doing business with Israel.

Egypt and Syria can expect the Saudis to back them with a further rise in oil prices if the Saudis conclude this is

necessary to spur the negotiating process. The Saudis almost certainly would take such a step, although they probably would not take direct action—such as an embargo against the US—in 1977.

They would, moreover, continue to exercise some restraint on future OPEC price rises, primarily because they fear the effects of a very large price hike on Western political and economic stability.

Jordan

Jordan's role in the peace offensive will be limited largely to supporting Egypt and Syria and serving, as it has in the past, as a conduit for conveying Syrian views to US policy makers. King Husayn can take no territorial negotiating initiatives on his own, and he is unlikely to contest adherence by Egypt and Syria to the resolution adopted at the 1974 Arab summit meeting that empowered the PLO to negotiate the return of the West Bank.

Jordan's role will become important

only when negotiations are under way on the formation of a Palestinian state. Jordan's Palestinian connection is a major reason for its diplomatic importance, and the roughly one million Palestinians in Jordan comprise the largest single group of expatriate Palestinians anywhere in the area. To protect his security interests, King Husayn is likely to seek some form of confederation or other close political association with a new Palestinian state.

President Sadat's recent suggestion that any such state be linked with Jordan may be indicative of an Arab intention to press for such an arrangement, once negotiations begin, in order to bypass Israeli objections to dealing with the PLO.

Asad has expressed tentative support for this idea, but he and Sadat may only be testing US and Israeli willingness to work out a satisfactory compromise on the Palestinian question.

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The USSR and Iraq have laid aside political differences in favor of closer military and economic ties. Last week, they may have concluded a major new military aid agreement.

Iraq: Communist Military and Economic Ties

The joint communique issued after Iraqi strongman Saddam Husayn's visit last week to the USSR reflects a considerable improvement in political relations since he last traveled to Moscow in April 1975. The Iraqis and Soviets may have completed agreement on a major new military package on which negotiations may have started during Soviet Premier Kosygin's visit to Baghdad last May.

At the time of Saddam Husayn's 1975 trip, there were signs of strain between the

two states. He did not meet with Soviet party chief Brezhnev, and the visit was cut short without explanation. Moscow was concerned that the rapprochement between Iraq and Iran in March of that year would mean a diminution of the USSR's influence in Iraq, and the Iraqi leader apparently did little to calm Soviet anxieties. Nor was any progress apparently made toward resolving long-standing political differences such as the treatment of Iraqi Communists by the ruling Iraqi Baath Party.

In contrast, the statement issued on February 3 at the end of Saddam

Husayn's recent visit indicates that the two sides have reduced their political squabbling. The communique also explicitly referred to military assistance, something that had not appeared in such a joint statement since 1974.

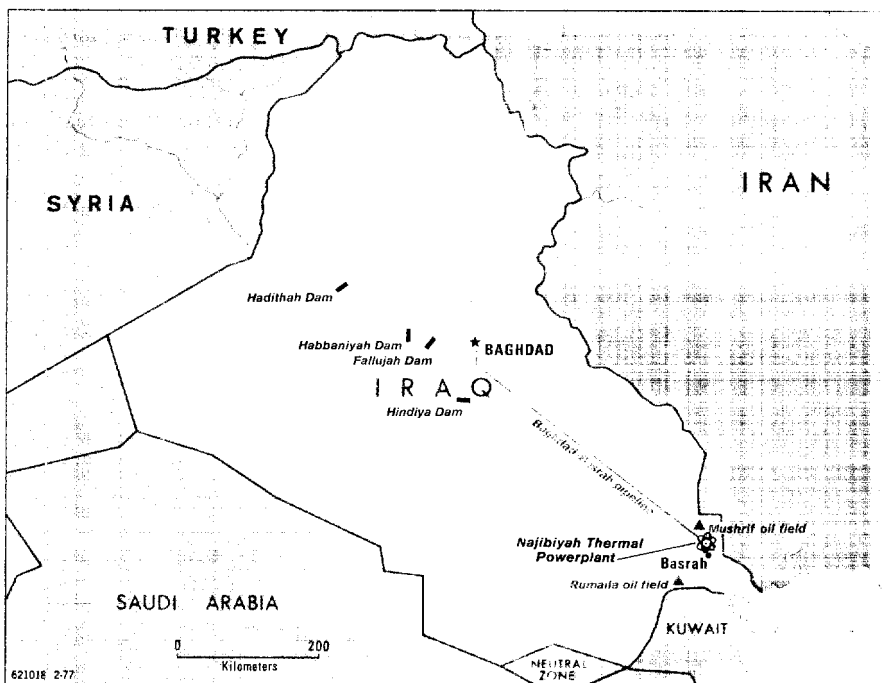
Political Aspects

The most significant political aspect of the communique was the Soviets' willingness to give their blessing to the Baathist "revolutionary experiment," which suggests that the Soviets have stopped making a major issue over Saddam Husayn's treatment of the Iraqi Communist Party.

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The Baathist-Communist relationship has been uneasy at best, but at this point the Soviets apparently are not trying to induce better relations among Iraq's squabbling political groups—a position that will not please Iraqi Communists.

The resurgence of Moscow's interest in Iraq is explained in part by Soviet setbacks in Egypt and Syria. Significant Soviet influence in the Middle East now appears confined to Iraq and Libya.

The Soviets have long disagreed with these two states, however, over an approach to Arab-Israeli peace talks, with Moscow insisting on renewal of the Geneva peace conference. Soviet diplomacy has not narrowed this difference, but Moscow is content to overlook the divergent approaches.

The Soviets used Saddam Husayn's visit to take swipes at both Egypt and Syria. The joint communique condemned "outside interference" in Lebanon, which is the standard Soviet formulation aimed at Syrian activities there. Kosygin's address at a banquet for the Iraqi leader stressed that Soviet economic programs abroad did not constitute a "charitable

activity" and that Moscow would have to take into account "mutual interests and requirements," an obvious warning to Cairo.

Record Military Deals in 1976

Kosygin reportedly agreed last spring to supply Iraq with several major weapon systems. Meanwhile, Soviet military deliveries to Iraq under earlier agreements rose markedly last year, reaching a record level of \$460 million. Aircraft to support air force modernization plans were by far the most important category. At least 86 planes, valued at over \$250 million, were received.

This is the largest number of aircraft the USSR has sent Iraq in a single year and more than three times the number sent in 1975.

Recent Iraqi military purchases from the West and other attempts to diversify arms suppliers have contributed to the Soviet willingness to provide more military equipment. The USSR is determined to maintain influence in the Arab world and retain access to Persian Gulf maritime facilities. Continued access to Iraq's crude oil also has been an important factor in increased Soviet support for Iraq. The Soviets ship all of the 5 million tons of crude they import from Iraq each year to third-country customers to earn hard currency.

Other Communist Suppliers

Hungary and Czechoslovakia supplied most of the \$80-million worth of equipment delivered from Eastern Europe in 1976.

Small deliveries of military-related equipment were made by North Korea under a \$19-million agreement signed in 1975.

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Iraq also signed agreements last year to buy an additional \$90 million of arms from East European countries and North Korea.

It has agreed to spend \$9 million in Poland for unspecified military goods and services, and \$30 million in North Korea for more than 600 ZPU-4 air-defense machine guns—North Korea's largest arms agreement with a third-world country.

To support Iraq's newly organized jet fighter squadrons, the Soviets and East Europeans increased the number of their military advisers and technicians by 100, to 1,100 in 1976. Some 300 Iraqi military personnel went to the USSR, mostly for pilot and aircraft training.

Economic Relations

The overwhelming concentration of Soviet aid in Iraqi power, water, and crude oil development will become more pronounced as a result of new agreements in 1976. A pact signed in May during the Kosygin visit reportedly will triple economic assistance in the next five years, compared with the last five.

The agreement, like most recent Soviet economic accords with less developed countries, probably is open-ended, calling for separate negotiations of credits for individual projects. Commitments in 1976 under the agreement are conservatively estimated at \$150 million for power and irrigation contracts; they will probably be financed by long-term Soviet credits.

In December, Iraq also signed contracts valued at \$1 billion covering four major irrigation and power projects—the Hadithah and Habbaniyah dams on the Euphrates River and two canals linking irrigation areas in western and northern Iraq. Also discussed was further Soviet participation in the Hindiyah and Fallujah dams, which have a projected total cost of \$1 billion.

Soviet power and irrigation projects now in progress or under discussion would add 3 million megawatts of installed power capacity and bring 2.2 million hectares under irrigation. Soviet specialists



Saddam Husayn

are preparing a comprehensive land and water use program for Iraq as a guide for development activity over the next 25 years.

Soviet-aided projects completed in 1976 included a 200-megawatt expansion of the Najibiyah thermal power plant, the 42-kilometer Tharthar irrigation canal system, the first phase of the Mushrif oil field, and the Baghdad-Basrah pipeline (although the pipeline was not yet in operation at year end). About 2,900 Soviet technicians were in Iraq during 1976 to support the projects. Priority attention was given to solving pressurization problems at the Rumaila oil field, which had been developed with Soviet aid. Output at the field is running at less than

half the 800,000 barrel-per-day rate scheduled for the end of 1975. Water injection equipment ordered in August under the new economic agreement could raise output substantially by 1978.

Work continued at five other fields as part of Moscow's 20-year oil development plan for Iraq. Soviet-developed oil facilities have been financed by more than \$120 million in credits beginning in 1969.

New dimensions could emerge in Iraq's economic relations with communist countries through the relationship established with the Council for Mutual Economic Assistance in 1975. The first meeting of the Iraq-CEMA Joint Commission ended in November with a protocol establishing working groups to recommend suitable projects for multilateral cooperation. Fields under study include petroleum, agriculture, and light industry.

East European Economic Aid

Iraq's apparent willingness to barter oil for industrial equipment and services makes Iraqi projects particularly attractive to East European countries faced with rising oil import bills. Romania signed a new economic agreement last May that identified petroleum development, land reclamation, agriculture, and inland fisheries as priority targets for Romanian efforts.

Czechoslovakia will continue to expand the Basrah refinery, which was completed in 1974 with \$27 million in Czechoslovak credits. East Germany will participate in construction of a railroad between Baghdad and the Syrian border, while Bulgaria is to complete food processing and livestock projects in 1977. Hungary has expanded oil exploration under a 1969 credit and agreed to construct several housing projects.

No financing arrangements for new projects have been announced, but it is likely that most East European countries are allowing a fast drawdown of their \$275 million of outstanding credits. Most of the credits call for repayments in oil, and the East Europeans probably pressed hard for additional barter shipments to cover current account items such as technical services.

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As the power struggle continues within the ruling military group that overthrew Haile Selassie in 1974, the regime appears to be losing ground both to an urban-based Marxist terrorist organization and to a variety of insurgent groups engaged in guerrilla warfare in the provinces.

Ethiopia: Regime's Enemies Stronger

The deaths of several inner-circle members of Ethiopia's ruling Provisional Military Administrative Council in another bloodletting last week is unlikely to result in any softening of the policies that have made the 28-month-old military regime widely unpopular. Radical First Vice Chairman Mengistu Haile Mariam, who appears more than ever to be calling the tune in Addis Ababa, has pledged to keep the regime on course and declared war anew on all the council's foes.

The council's intractability seems bound to cause further growth of an already extensive underground leftist civilian opposition centered in the capital and of multiple provincial insurgencies that have been eroding the regime's control in the countryside for some time.

Urban Agitation

The council's refusal to give civilians a significant role at the top levels of government ensures continued opposition from the Ethiopian People's Revolutionary Party, a clandestine organization led by Marxist intellectuals. The allegations that the dead council members had been involved with the party, and the increased power of Mengistu—the party's main antagonist—will intensify the enmity between the party and the government. The party's principal demand is an immediate return to civilian rule; its other policies differ little from the government's, which are avowedly socialist.

The People's Revolutionary Party steadily gained strength last year and now

has a network of supporters in several provinces. Its primary supporters are students, teachers, and trade unionists, but it probably has the secret sympathy of some military officers and government officials, including members of the ruling council. Most of these sympathizers do not share the party's leftist views, but see it as a means to hasten the downfall of the council.

Last summer and fall, the party carried out a number of terrorist attacks in Addis Ababa directed especially against the council's civilian advisers who are members of a body popularly known as the politburo. Two members and four employees of the politburo were killed, and its headquarters was bombed. The party was distributing a regular publication and other antigovernment tracts and posters.

A crackdown begun in September resulted in a three-month lull in the party's activities in Addis Ababa, but it apparently renewed its terrorism last month with the assassination of another politburo member. The party is probably also responsible for the recent attacks on the USIS library and the British cultural office in Addis Ababa.

The party played a role in organizing a recent boycott of classes by university students. The students ostensibly struck over university administrative matters, but there is little doubt their action was primarily a protest against the council. The party also has a military wing that conducts insurgent activity in at least three provinces.

The People's Party lacks the means to

overthrow the council, but it can probably expand its antigovernment activity and thus further discredit the regime.

Insurgent Activity

Major insurgent groups in different parts of the country have steadily expanded their activity in recent months. Some of the groups are leftist; others are led by former aristocrats who held high office in the old regime. Some are seeking independence or autonomy from the central government; others want to force a change of government in Addis Ababa. Several have submerged their differences to work jointly against the military council.

The secessionist guerrillas in Eritrea Province have for years conducted hit-and-run attacks on army garrisons, ambushed convoys, and mined roads. In mid-1976 they began staging conventional attacks on isolated army posts in some of the smaller towns.

The new strategy is proving effective. Within the past two months, the rebels have overrun two towns near the Sudanese border and an army post in southern Eritrea. Despite two major efforts, the government has failed to break the five-month siege of a town in central Eritrea. Insurgent pressure has forced the army to abandon some isolated garrisons it cannot keep supplied.

The guerrillas' success reflects in part their effective use of the large numbers of recruits that have joined the movement during the past two years. Government weaknesses have also helped. Government forces suffer from poor morale and discipline, inadequate logistics, and a

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shortage of qualified leaders. All these problems are growing.

The government is likely to suffer further reverses in the next few months, but it will probably be able to maintain control of the major cities and highways by abandoning outlying posts and concentrating its forces—a strategy it has apparently begun implementing. The government can use its air power, armor, and heavy weapons more effectively in defense of the larger cities than of the smaller garrisons.

If the rebels attempt to mount sustained large-scale attacks, their own deficiencies will become more evident. They suffer from inadequate communications and have only a few heavy weapons. They also face problems in maintaining a steady flow of supplies because their supply routes from Sudan are long and cross difficult terrain.

The rebels are weakened by personality clashes and ideological, religious, and ethnic differences. There are now three major factions. One group, formed last year, operates independently. The other two work together only sporadically.

Lack of unity is straining the insurgents' relations with the Arab countries that supply almost all their financial and military assistance. Although Arab threats to end aid unless the insurgents unify their forces may force the guerrilla factions to cooperate more closely, the three rebel groups are unlikely to become a unified fighting force in the near future. No insurgent leader can claim to speak for the whole movement.

The ruling council has recently shown renewed interest in opening negotiations with the Eritrean insurgents, but the council's efforts are not likely to bear fruit. In late January, it instructed a group of Eritrean elders—traditional religious and ethnic leaders—to convey to the guerrillas the council's willingness to talk with insurgent representatives without preconditions. The council on previous occasions has used the elders as emissaries, but their efforts have not resulted in significant progress toward negotiations.

The insurgents have long insisted they

will negotiate only after the government agrees to grant Eritrea complete independence. They rejected a government proposal last May that would have granted the province a degree of local autonomy.

Another insurgent group, the Ethiopian Democratic Union, has made recent gains in Begemdir Province. It is led by exiles who held important positions in the old regime. Its leaders include two former generals, Nega Tegegne and Iyasu Mengesha, who have joined forces with Ras Mengesha Seyoum, the traditional leader of the Tigre people, one of the two leading ethnic groups in Ethiopia.

The Democratic Union has attracted other former aristocrats and conservative landlords in northern Ethiopia, as well as

small farmers and peasants dissatisfied with the military regime's disruption of their traditional society and land tenure system. The group's professed aim is to bring about the downfall of the military regime in Addis Ababa and replace it with a government that will carry out reforms with more moderation and without the trappings of Marxist ideology.

Sudan has provided the group with some arms and probably some financial assistance and allowed the guerrillas to use Sudanese territory as a base of operations. The group has also received arms and money from the Eritrean guerrillas and conducted joint military operations with the Eritrean Liberation Front, one of the rebel factions, but the alliance reportedly is becoming strained.



Vice Chairman Mengistu Haile Mariam

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Rebel outpost in Eritrea Province

A combined force last month gained control of two neighboring towns near the Sudanese border on the provincial boundary between Eritrea and Begemdir. The commander of the army battalion guarding one of the towns defected to the Democratic Union along with most of his troops. Union forces have fought sharp clashes with the army in other parts of the province, at times inflicting heavy casualties on government troops. Antigovernment activity is increasing throughout the province, and the government has arrested suspected sympathizers in Gondar, the provincial capital.

Also fighting the government's forces in Begemdir Province are members of the small military wing of the Ethiopian People's Revolutionary Party; they are conducting operations in the eastern sector. The Democratic Union and the People's Revolutionary Party, despite ideological differences, have apparently reached a tacit understanding not to interfere with each other in order to maintain combined pressure against the

military council.

Other Insurgencies

The Tigre People's Liberation Front is active in Tigre Province. The organization is led by a Marxist ideologue, and its propaganda reflects a leftist ideology, although some of its rank and file are probably nonleftists.

The Tigre group has concentrated its activity along a primary east-west road connecting major provincial towns. The towns are controlled by the government, but the guerrillas control much of the countryside, and government traffic can move along the highway only in heavily armed convoys.

Insurgent activity is going on in Wollo Province, too. In the north and northwestern areas, there are guerrillas led by prominent local landlords who have ties to the Democratic Union. They also appear to be cooperating with a small People's Revolutionary Party force in the province.

In eastern Wollo, the Afar Liberation Front conducts sporadic raids along the

border with the French Territory of the Afars and Issas. The Afars, who enjoyed a great deal of autonomy under the old regime, revolted in 1975 when the military council tried to impose central government authority over their tribal lands. The Afar leaders maintain close ties to the Ethiopian Democratic Union.

Somalia Involved

Major insurgent activity is also under way in southern and eastern Ethiopia. The insurgents in these regions include both ethnic Somalis and dissident tribesmen who have a long history of resistance to Addis Ababa. Somalia is assisting both groups.

The tribesmen are recruited in Ethiopia, sent to Somalia to receive training and arms, and infiltrated back across the border. Some Somali regular troops have accompanied the insurgents into Ethiopia.

It has long been Mogadiscio's aim to annex the Somali-inhabited portions of Ethiopia. Somalia also supports the insurgents in order to divert Ethiopian

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military resources that could be used against Somalia in a war over the French Territory of the Afars and Issas.

The insurgency in these regions is most serious in Bale Province, where guerrillas have deeply eroded the government's control of the countryside. In Sidamo and Harar provinces insurgents stage sporadic raids on government installations and make travel without armed escort hazardous in some areas. The insurgents in all three provinces have laid mines, staged terrorist incidents, and proselytized among the local villagers.

Outlook: More Trouble

The council is continually increasing the size of its forces. A 5,000-man counterinsurgency division trained by Israeli advisers was formed last year. A new division is in the process of being formed with men from existing units and from the police.

The council has taken preliminary steps to form still another division. It is also devoting considerable effort to establishing militias throughout the country to be used primarily in fighting insurgents. Several thousand men have already been recruited and provided small arms and rudimentary military training.

The use of inexperienced troops and poorly trained and armed militia will not significantly improve the government's military capabilities. The logistic system will be unable to support the increased manpower adequately. The new troops may help the government's defenses in some areas, but they will not enable the government to take the offensive against any of the insurgents.

Indeed, the insurgents may well gain control of additional territory and consolidate their control over areas they already hold over the next few months.

The several insurgencies do not have sufficient force to overthrow the council in Addis Ababa. They do, however, weaken the government's staying power. The army's reverses have caused a further decline in morale and discipline. Defections are increasing, although they have not yet reached major proportions.

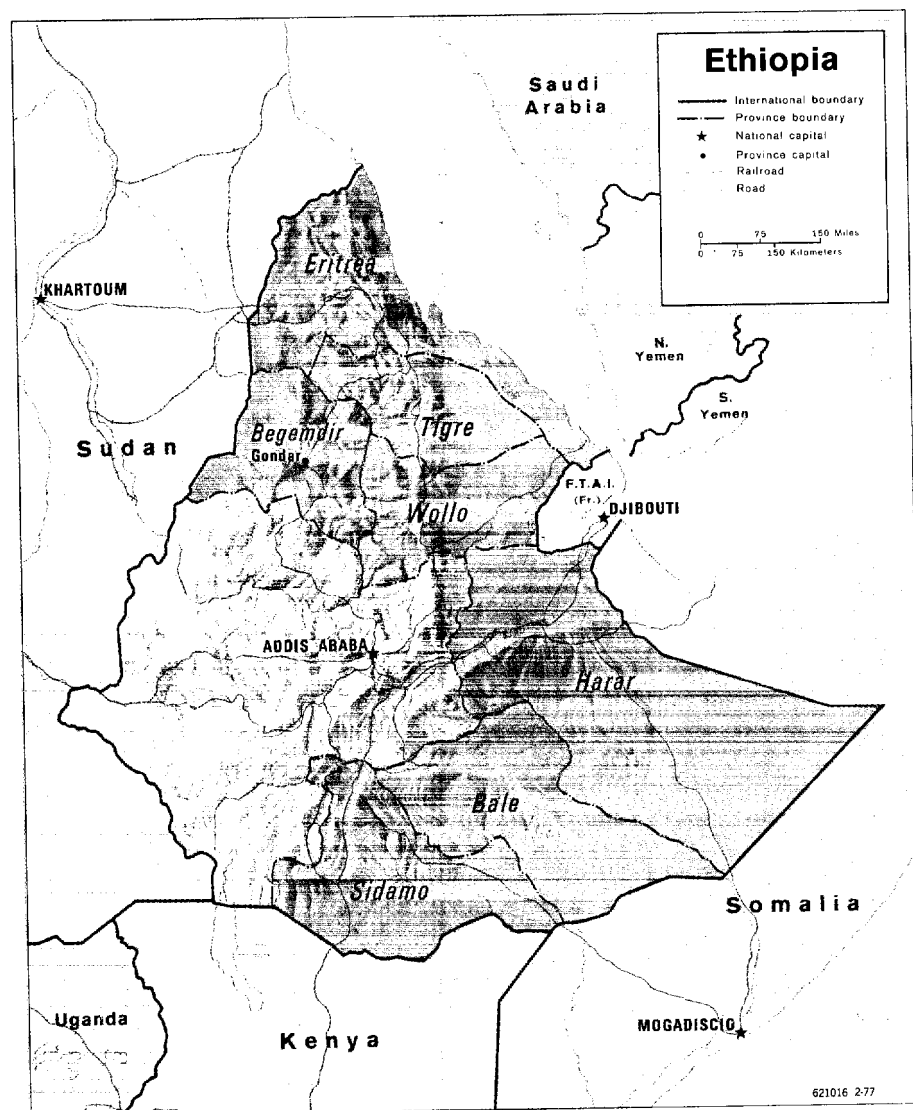
Dissension is particularly serious

among the armed forces in Eritrea. A delegation supposedly representing all the troops responsible for the defense of one of Eritrea's major cities flew to Addis Ababa late last month to demand that the regime negotiate a peaceful settlement of the Eritrean problem.

Further government setbacks at the hands of guerrillas could cause more unit commanders to question the council's leadership. The killing of the council members last week doubtless created new enemies for the Mengistu faction and

could lead to more coup plotting. At present, however, dissidents in the armed forces are dispersed and leaderless, and no one military leader has a strong enough base of support to challenge the council directly.

There may be further upheaval over the next six months within the council itself. A continuing inability to solve the country's problems could lead to recriminations and a search for scapegoats among council members.



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President Lopez Portillo has already done much to restore public confidence in Mexico. He arrives in Washington next week for a visit that he says is intended to demonstrate the importance he attaches to close ties with the US.

Mexico: Lopez Portillo's First Sixty Days

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After two months in office, Mexican President Jose Lopez Portillo has done much to restore public confidence, which had been badly shaken by a series of economic and political blows in the waning days of the Echeverria administration.

The new President has established economic stabilization as a primary goal, set priorities for increased output of food and energy, selected a moderate cabinet, and moved quickly to reorganize the government. He has also given early signals of greater cooperation with the US on bilateral issues in expectation of reciprocal assistance.

Lopez Portillo arrives in Washington on February 14 to begin a state visit that he has said is intended to demonstrate the importance he attaches to close ties with the US. It is also likely to provide further reassurances to the Mexican public and to enhance his own personal image.

A "New Style"

Under the Mexican system, the power of the presidency is almost limitless, and Lopez Portillo's personal style of governing will influence Mexico's course for the next six years.

With an excellent record as an administrator, he has thus far proven to be a more deliberate, pragmatic decision maker than his predecessor.

Basic Mexican policies will probably not change much. Lopez Portillo reflects in many ways the system that produced him, from his administrative team of

long-time confidants to his rhetorical defense of the revolutionary myth—the notion that the Revolution of 1910 that ideologically underpins the Mexican government and official party is a continuing, institutionalized revolution.

Domestic Priorities

Lopez Portillo has candidly acknowledged that Mexico's economic difficulties will remain serious at least through midyear. Economic stabilization is clearly his top short-term priority. He has sought the support of private business through a series of agreements calling for combined public-private investments of \$5 billion over six years to stimulate production and create jobs.

He has persuaded labor to accept a modest 9- to 10-percent wage hike, arranged for private manufacturers to provide 90 basic consumer goods at reduced prices, and created a national workers' bank.

The President has designated self-sufficiency in food and energy as his administration's other top priorities. He apparently favors land collectivization for more efficient agricultural production, but will have to take care not to arouse campesino groups by appearing to contravene the revolutionary ideal of agrarian reform.

He must also reassure private landowners that their farms are secure before many will make the investments necessary to increase production. In the meantime, he is quietly negotiating a compromise in

the dispute that arose last fall between peasants and landholders in Sonora and Sinaloa states, when former president Echeverria's expropriation of private holdings sparked land invasions by peasants.

Another priority, and one that Mexicans hope will be their salvation in years to come, is oil. Lopez Portillo apparently intends to pursue rapid development of newly discovered reserves.

Government Reorganization

Since the late 1960s, Lopez Portillo has urged that the Mexican government be reorganized. After one month in office he restructured the executive branch. The most important new cabinet ministry is the Secretariat of Programming and Budget, which supersedes the Presidency Secretariat.

This office is to be the government's financial center and key economic planning agency. Its responsibilities include budget matters, supervision of government expenditures and investments, overall management of the state sector, and liaison with other secretariats on economic matters.

Another major change is the merging of the National Patrimony Secretariat with industrial development responsibilities from the former Industry and Commerce Secretariat; the new Secretariat will provide uniform management of government industries, promote private and public industrial development, and control natural resources. Commerce will

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regulate production, distribution, exportation, and import control.

Human Settlements and Public Works were consolidated to coordinate housing, population, and welfare programs.

Agriculture and Hydraulic Resources were joined to increase agricultural output. The government will also reorganize the nearly 800 autonomous agencies and make them subordinate to the cabinet secretariats.

The New Cabinet

The new cabinet members, mostly close personal friends of the President, span the political spectrum, but collectively seem to be a more moderate team than that of Echeverria. This has enhanced public confidence, especially among businessmen.

The selections of Jesus Reyes Heróles as secretary of government and Santiago Roel as foreign secretary were the only major surprises. Roel is well-connected abroad, but has had little diplomatic experience. His appointment may be politically motivated; he is from Monterrey, the home base of a powerful conservative business clique that was constantly at odds with Echeverria.

Reyes Heróles is an academic and a political ideologue with wide top-level administrative experience in government and the official party, but he may lack the toughness needed for the secretariat of government.

The secretary of programming and budget, Carlos Tello, is a young economist who gained the President's confidence while serving under him in the Finance Secretariat. Since Lopez Portillo will probably use the new ministry as a base for his personal direction of economic policy, Tello may become more of an executive officer than an authoritative policy maker in his own right.

Another key figure will be Jorge Diaz Serrano, Director of PEMEX, the government petroleum agency. He is a tough administrator with broad experience in the private oil industry. As a comparative outsider he will try to improve PEMEX's efficiency and overcome opposition from conservationists within



President Lopez Portillo, with wife, following inaugural ceremony

PEMEX who would like to restrict production.

Relations with the US

Reports have consistently indicated that Lopez Portillo's general foreign policies will be more narrowly focused and pragmatic than Echeverria's, that Mexico's third-world role will be more moderate, and that the Mexicans will cooperate more with the US in international forums.

The expected new slant has not yet become apparent, however, perhaps because of policy inertia from the previous administration. Since Lopez Portillo's inauguration:

- Foreign Secretary Roel has declared that Mexico will continue its efforts on behalf of nuclear disarmament, a stand that has led to disagreement with the US in past UN debates.
- The Mexican UN delegation has resisted US efforts for a treaty on corrupt practices because Mexico believes it would delay substantive work on a code of conduct for transnational corporations.

- In the current International Telecommunications Union's Broadcasting-Satellite Conference, Mexico brusquely dismissed a US proposal on evolutionary planning without the customary prior consultation.

- Roel has said Mexico will continue to press industrialized nations to accept the principles of the Echeverria-sponsored Charter of Economic Rights and Duties of States.

In bilateral issues with the US, on the other hand, there are clearer signs that Lopez Portillo will pursue moderate, cooperative policies.

- He has advised US officials that restrictive laws on foreign investment will be interpreted flexibly.

- Mexico has offered to sell the US emergency supplies of natural gas and crude oil.

- Lopez Portillo has shown that he will cooperate in strong narcotics enforcement, despite the appointment of a known trafficker as Federal District police chief.

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